

Business Services:
RELEASING THE POTENTIAL



The
Business Services
Association

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Business Services: Releasing the Potential

is the fifth in a series of reports charting the development of services provided by BSA members.

The scope of this work has grown year by year, in good economic times and bad. As a result, BSA member companies, listed at the end of the report, now make a huge contribution to the quality and value of a wide range of services. This report summarises some examples.

It also sets out the impact of the industry on the economy. In all, three million people are

employed delivering outsourced services. Ours is an industry which employs over twice as many people as the entire financial services sector, investing in innovation and training and extending opportunity and wealth in every nation, region and constituency of the UK.

Many BSA member companies carry out most of their work for private sector clients. In fact, in all, 60 per cent of outsourced services are provided business-to-business. It is an indication of what BSA members can bring to the table that Britain's largest and most successful companies entrust to them the delivery of services that are essential to the smooth running of their organisations.

Understandably, however, it is when taxpayers' money is involved that the sector attracts the most attention. As this report sets out, it is of course quite legitimate for elected representatives to want to follow the 'taxpayer pound' wherever it is spent. Public sector contracts should enable them to do so. It is also right that companies are held to account when things go wrong - just as public or voluntary sector organisations should be held

to account in similar circumstances. Indeed, the very process of drawing up a contract facilitates such accountability.

We also need however to celebrate the best our country delivers. Many of Britain's most successful public services - and those with the highest satisfaction rates - are delivered by outsourced service companies. By its very nature, much of this work is carried out, day by day, away from the glare of publicity.

Outsourcing is no silver bullet but, done well, it can foster innovation and expertise and improve quality and value. So as well as showcasing this work, this report identifies ways in which the potential of the sector in the UK can further be released.

I am grateful to all BSA members for their contributions, both to this report and to the work of the BSA over the last year, and to Mark and the BSA team.

Kevin Quinn, Chairman, BSA



I am delighted to present this report, providing a snapshot of our industry, and to join Kevin in thanking BSA members for their assistance in drawing it up.

Over the last 12 months the work of the BSA has, itself, sought to reflect the nature and growth of the industry we represent.

Our seminars and roundtables have covered the latest developments in business-to-

business outsourcing, including in facilities management, BPO, and IT and digital services. This reflects the fact that private sector clients account for well over half market activity.

Our trade events, especially with emerging economies, are an acknowledgement of the extent to which many UK outsourced service companies are world leaders in their field, exporting their expertise across the globe.

Two fifths of outsourced services are delivered for the public sector. Here, there is greater need than ever for maximum value to be obtained for every pound of taxpayers' money. So we must go on finding new and productive ways for the public, private and voluntary sectors to work together, including through strategic partnerships, joint ventures, and prime contractor models. The BSA continues to press for a level playing field between sectors, including in pensions and

tax, and for improvements in the quality and consistency of public sector commissioning.

Governments of all political persuasions, over a period of 30 years, have increasingly come to realise that the old binary arguments about public good and private bad - or, indeed, vice versa - are a dead end.

Today we need to harness the best of what is on offer, in whichever sector it is found. The country faces unprecedented challenges. There is a need simultaneously to foster growth, control spending, maximise taxpayer value and improve quality and innovation in public services. These are all goals to which the UK services sector is ideally placed to contribute. The BSA looks forward to its potential contribution being realised in the months and years ahead.

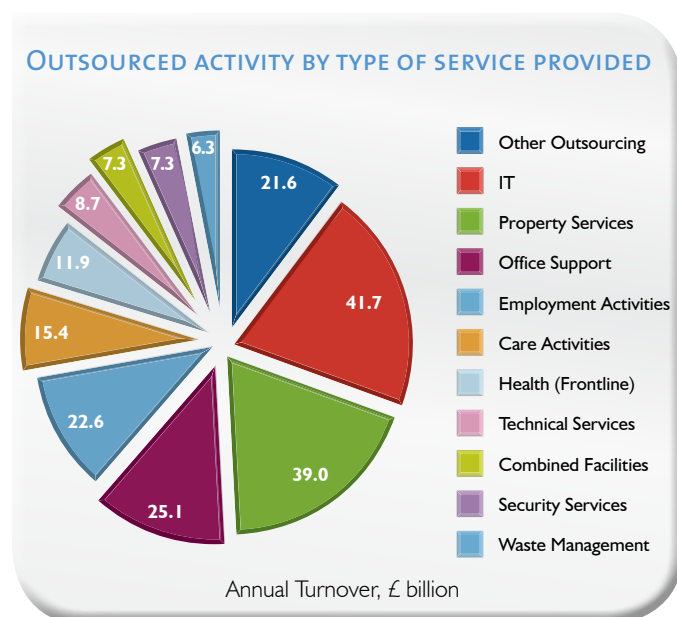
Mark Fox, Chief Executive, BSA





The Business Services Association - the BSA - is a policy and research organisation bringing together all those who are interested in delivering efficient, flexible and cost-effective services across the private and public sectors.

BSA members provide a wide variety of services. These range from back-office functions, IT, customer contact centres, catering, security, pest control and building maintenance to social housing management, offender management, managing defence estates, and building, maintaining and improving schools.



The Size of the UK Outsourcing Market,
BSA and Oxford Economics, April 2011, page 8

Of course there is no 'silver bullet' when it comes to improving services. However across the private and public sectors it has long been recognised that working in partnership with private or voluntary sector providers can be one way to improve both the quality of service and value for money.

There are several reasons for this:

- **Specialisation** Working in partnership with outside providers enables client organisations to focus on what they consider to be their core functions (which themselves often change over time). This in turn means they can perform those functions better. In the public sector, for example, head teachers can focus on teaching rather than providing school meals, and partner organisations can build up expertise, experience and economies of scale in the latter.
- **Measureable Outcomes** The drawing up of a contract allows outcomes to be clearly and continuously measured. This enables improvements in quality and value for money to be specified up front - whoever wins the contract - and increases accountability. It is true that the complex nature of service delivery, which is after all a human activity, means that sometimes mistakes will be made - whether the

public, private or voluntary sector is providing a service. Such mistakes must be acknowledged swiftly and corrected efficiently. However the existence of a contract means the contractor is then held to account. The most successful contracts are often those which focus on outcomes - not inputs - as this encourages innovation and discourages bureaucratic box-ticking in the management of the contract. Increasingly, therefore, contractors are being paid according to the results they achieve.

- **The Contracting Process** The contracting process itself is beneficial because it brings costs and performance measurements out into the open, increasing transparency - again irrespective of who eventually provides the service. It is clear that cold-headed reality needs to be employed when drawing up procurements by the public sector in particular, and procurement officials need to be realistic about the size and scope of what they are asking. Equally, private and voluntary sector providers must be realistic about what they contract to provide. However contestability itself often leads to improvements: the Labour Government's independent review found shifting public services into a competitive environment creates cost savings for the taxpayer of around 10 to 30 per cent, with service quality staying the same or improving, even where the in-house team wins the bid¹.

In light of these points, it is not surprising that, today, BSA members provide services to almost all FTSE 100 companies, playing a crucial role in helping Britain's largest firms compete in the global marketplace. Nor is it surprising that, in the public sector, governments at local and national level - involving every major UK political party - have overseen a consistent, gradual trend towards the increased use of outsourcing over the last three decades.

Outsourcing is not always the right solution, and every case needs to be considered on its merits. However it should come as no surprise that, as this report shows, many of the most successful and valued services in Britain - and those with the highest public satisfaction rates - are provided, day by day, by outsourced service companies.

This report showcases some examples of their work. It demonstrates the contribution the industry makes to jobs and growth across the UK. It also highlights just a few of the ways in which BSA members have long contributed to their local communities, to the environment, and to wider society.

There is potential for the work of the UK services sector to expand. In the private sector this report calls on the Government to create an environment which encourages enterprise and job creation. In the public sector it calls on the Government to accelerate the implementation of its reform process, as set out in the *Open Public Services* White Paper, so a level playing field exists in which different organisations can contribute on merit alone.

In these ways the full potential of the service industry in Britain can be realised.

At Present: the Industry's Contribution

Today outsourced services make a huge contribution to jobs and growth in Britain.

The Industry's Contribution to British Jobs and Growth

● **Creating and Sustaining Jobs.** Research carried out for the BSA by Oxford Economics shows the outsourced services industry directly employs 10 per cent of the workforce - some 3.1 million people. This is more people than manufacturing, and more than financial services and public administration put together.²

● **Fostering Growth.** The industry has a turnover equivalent to 8 per cent of economy-wide output - meaning it is almost as important in terms of share of the economy as financial services.³

● **Rebalancing the Economy.** The industry creates and sustains jobs and value added in every region and nation of the UK, extending opportunity and helping to rebalance the economy away from overreliance on financial services and on London and the South East.

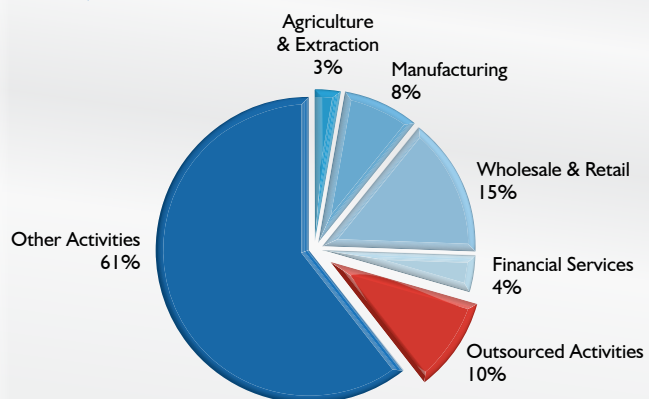
● **Investing in the Future.** As a diverse and mature industry, outsourcing companies invest in a wide range of innovation, skills and training programmes, including apprenticeships. At a conservative estimate, BSA members provide over 50,000 days of training in the UK every year.

● **Paying for Public Services.** The industry is responsible for around £31 billion in direct taxes - some 11 per cent of all government revenues from these sources.⁴ This is a bigger contribution to the public purse than the amount paid by every car, lorry and other vehicle - put together - in fuel duties; or the amount paid by every household in Council Tax.⁵ In fact the industry is responsible for enough tax to fund three government departments combined.⁶

● **Exporting for Britain.** The industry has a global reputation. The UK is a world leader in developing creative outsourcing solutions to complex problems across the public and private sectors. One survey showed we are second only to the US and home to almost a fifth of all outsourcing contracts.⁷ Public-private partnerships in particular were pioneered in Britain; this expertise is now exported round the world.

● **Supporting Small and Medium Businesses.** A recent estimate suggested BSA members support more than 250,000 SMEs as part of their supply chain.

OUTSOURCED SERVICES' SHARE OF UK WORKFORCE JOBS, 2009



The Size of the UK Outsourcing Market, BSA and Oxford Economics, April 2011, page 9



Research carried out by Oxford Economics shows most – 60 per cent – of outsourced services in the UK are provided to customers in the private sector.⁸

Case Study: Partnering with McLaren Group

ISS works in partnership with Formula 1 world-beaters McLaren. ISS provides facilities management at McLaren's new road car facility, the McLaren Production Centre; and at the McLaren Technology Centre (MTC), a vast glass and steel structure which incorporates an artificial lake that heats and cools the facility.

The relationship is an example of 'strategic outsourcing' in the private sector – a genuine partnership, based on sharing and understanding the organisation's values. As Andy Myers, Chief Finance Officer of the McLaren Group put it: "We didn't start by discussing the details and wording of a contract. We spent the best part of half a year exchanging views of the world and of our cultures. Once this process had taken place and a deal was agreed, it wasn't long until the papers were signed."

McLaren's work is specialist and technical, and the services provided needed to adapt accordingly. Innovations include trolleys designed specifically for the McLaren contract. They incorporate a new system which provides data in real time on the movements of ISS employees within the MTC. The data is sent to a secure website, where a 'heat map' image uses green, amber and red to assess employees' progress against targets.

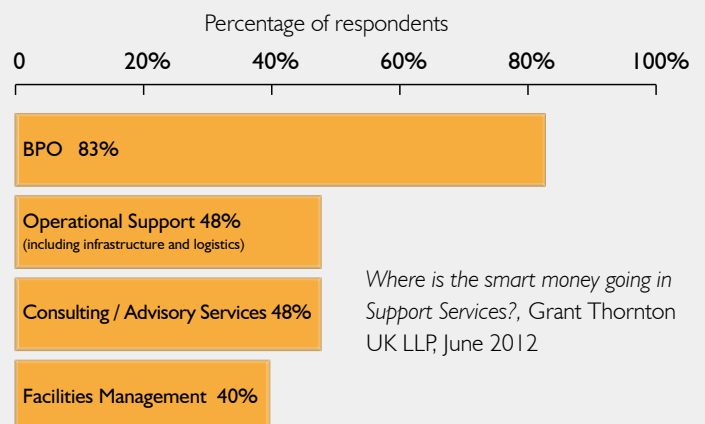
A recent BSA survey of members showed more respondents agreeing than disagreeing with the statement that market opportunities in the UK had increased for business to business outsourcing over the last year, but the largest number not having a strong view either way.

Overall, TPI figures show the Total Contract Value (TCV) of global outsourcing grew by 7 per cent between the second quarter of 2011 and the second quarter of 2012.⁹ However the *number* of contracts fell, reflecting the growth of larger deals.

During times of economic difficulty, companies often decide to focus on their core competencies, inviting those with outside expertise to provide specialist support services. Nevertheless, outsourcing fell over the last year across Europe, the Middle East and Africa (EMEA)¹⁰, reflecting the problems in the Eurozone, with the fastest growth globally being in Asia-Pacific.¹¹

However, a survey of UK investors in Q2 of 2012 by Grant Thornton UK LLP suggested a more positive story for business-to-business outsourcing. Business Process Outsourcing was identified as a particular opportunity for growth and consolidation:

Where do you see the most opportunity for growth and consolidation?



Working across the Private Sector

Today BSA members are helping private sector organisations achieve a wide variety of objectives.

Improving Quality and Value

Across the range of services provided to the private sector, outsourced services companies are helping improve quality and value. These services range across 'hard' facilities management (relating to the fabric of a building); 'soft' facilities management (activities such as cleaning, catering, waste management and security); Business Process Outsourcing (both 'back office' and customer facing services) and far beyond. Integrated facilities management in particular has developed into a leading and mature UK industry over the last 20-30 years, and continues to grow.

BSA Members: Improving Quality and Value

- Over the last six years, **Interserve** has built a successful partnership with Alliance Boots. Originally Interserve cleaned only 360 stores, but the contract proved so successful that it was expanded to include 1,200 stores across the UK and Ireland and total facilities management for all eight UK office premises, including their 300 acre site in Nottingham. The services Interserve provides includes store, warehouse, conference facility and office cleaning; front-of-house; maintenance; security and catering. Since the contract was first signed in 2006, Interserve has **saved Alliance Boots an estimated £6 million**.
- **Carillion** provides extensive facilities management services for Centrica. Carillion has pioneered the use of initiatives such as ServExcel to monitor the views and experiences of Centrica's staff; 4,000 staff members have been spoken to so far and as a result their **experience and satisfaction at work has risen by more than 50 per cent**. At the same time, over £4 million has been saved, and Centrica has won awards for exceeding targets for energy and carbon reduction.
- In September 2011, **MITIE**'s success meant it extended its contract with the world's leading premium drinks business, Diageo, to provide integrated facilities management and hospitality services over 70 sites across its entire UK and Irish property portfolio.
- Meanwhile over 100 **MITIE** staff work round the clock to provide engineering maintenance, cleaning, security, and telephone and reprographics services for the **Royal Opera House at Covent Garden** - home to the Royal Opera and the Royal Ballet.
- **OCS** provides match day stewards, cleaning, waste management, maintenance, and security at **The Kia Oval, the home of Surrey County Cricket and England internationals**. A helpdesk system was introduced; stewarding costs are down 30 per cent; 50 per cent of waste is now recycled. The Commercial Director at The Kia Oval said: "**There have been significant improvements** and we value our relationship tremendously"
- **Capita** helped Zurich Financial Services transform its customer services operation -with abandoned calls falling from 11.6 per cent to 2.3 per cent, and overall competency of customer services rising from 87 to 99 per cent. Capita's contract has since been renewed and expanded.
- In 2012 The NEC Group selected total facilities management provider **OCS** to deliver major facilities management services across its venues. The contract includes security and event stewarding, traffic and car park management, portering, cleaning, waste management and helpdesk services. The Birmingham-based NEC Group operates four world-class venues and welcomes four million people every year at over 800 events. The NEC Group has a proven track record of partnership with facilities management services providers, with services first being outsourced more than 10 years ago. The latest move is an expansion of this successful outsourced delivery. John Hornby, COO of the NEC Group, said: "This major new soft services contract will **greatly assist** the NEC Group in retaining its position as a leading venue management company in what is a highly competitive market, both in the UK and internationally. OCS operates globally and understands the services and the people at every level of our industry".



Innovation

UK service providers are often at the forefront in pioneering new and innovative techniques which are deployed at home and exported abroad.

BSA Members: Leading on Innovation

● **Rentokil Initial** is amongst those BSA members introducing innovation in the markets in which it operates, in the UK and overseas:

- In January, Rentokil Initial launched a revolutionary health and sanitisation product, following a four year development process by partners Byotrol. UltraProtect™ is proven to protect against swine flu (H1N1), MRSA, Salmonella, Norovirus and E. coli. The product range kills 99.9 per cent of germs and offers continuous protection long after traditional alcohol-based cleaning products have stopped working. It destroys germs' cellular structure and forms an invisible barrier against a wide range of bacteria and viruses.

- Entotherm - a new heat treatment which is effective against Bed Bugs, moths and beetles - is now in operation in ten countries, with a further six countries due to complete training.

- Entosite was launched in 2011 to provide a solution using natural predators to remove a pest problem without the use of chemicals. It was first used at Europe's largest indoor primate enclosure at Edinburgh Zoo, and the zoo went on to showcase the technique at the annual British Association of Zoos and Aquariums conference.

● Through its subsidiary DCE, **Clearsprings Energy Solutions Ltd** (part of the Clearsprings Group) designed a new and completely surrounded courtyard research facility situated within a Grade II listed building for the London School of Hygiene and Tropical Medicine. Its innovative solution included the distribution of ground water to chilled beams to maintain temperatures at comfortable levels for occupants. Further emission-minimising systems included photovoltaic shading, thermal wheel heat recovery and active thermal mass ventilation. A building emission rating (BER) of 26kgCo²/m² was achieved which represented a 46 per cent reduction on the target emission rating (TER) and earned a **Carbon Trust innovation award**.

● Innovation is being deployed in public sector provision too. **Kier's** environmental services team has invested in new high-tech, environmentally friendly road sweepers. These are cheaper to run, quieter to operate and virtually dust free. When combined with Kier's new integrated in-cab technology, clients receive improved route planning and operational data. This helps them to reduce fuel usage and the number of miles travelled, and enables resources to be deployed efficiently.

IT & Digital Services

The spread of services such as Cloud makes it more important than ever that companies with experience and expertise are deployed in support - so IT provision is delivered in a secure, efficient, reliable and user-friendly manner, in support of the goal of making business processes as flexible and effective as possible.

British companies are in the forefront of this work. Recent examples of UK-provided outsourced IT and digital services solutions include:

- a networked IT solution for an international manufacturing group that linked more than 500 locations in 40 countries across five continents;

- a leading UK retailer which turned to an outsourced service provider to transform its IT network seamlessly, with sales and stock data now carried up to 16 times faster than before; and

- a major UK Building Society which outsourced its networked IT services in order to improve customer service and business efficiency. Not only have services improved and costs fallen substantially, but the Building Society itself can now focus on business transformation - while the outsourced provider looks after the IT and network environment.

Case Studies:

Leading the Way on Information Technology

● To simplify the process of reporting repairs, and to help provide an improved service for customers across the private and public sectors, **Kier** has developed a unique smartphone application. This has led to customers having greater choice, and means repair requirements can be processed more efficiently.

● Through its IT Services subsidiary (Softwerx Ltd) the **Clearsprings Group** designed and supplied a Virtual Private Cloud to host the Microsoft Exchange 2010 service for the internationally renowned conservation charity Flora & Fauna International (FFI). FFI operates in over 40 countries and 100 projects with the aim of conserving threatened species and ecosystems worldwide.

Softwerx partnered with Rise to access its innovative DataCenter on Demand platform to build and host the Exchange platform and to integrate it with FFI's key on-premise applications. With the Rise commitment to guaranteeing data sovereignty, high security and resilient operations, and the application and customer environment knowledge established by Softwerx, the solution was provided within 5 days of order and has operated efficiently since its launch.

The project was delivered on time, in budget and required no additional communications infrastructure to support the new hosted operation. This project involved the global migration of all 250 users to the cloud, whilst ensuring the Microsoft Exchange 2010 platform was fully integrated into FFI operations.

Protecting the Environment

Whether because of statutory requirements or broader corporate objectives, organisations are focusing more than ever before on their environmental responsibilities. In doing so they are drawing on the specialist experience and expertise of BSA members.

BSA Members: Helping to Protect the Environment

- Through its Sunlight subsidiary, **Berendsen** provides linen rental and textile management services to many of the UK's largest hotel groups. Centralisation of laundry processing into large sites makes investment in carbon reduction and water recovery technologies economic; such technologies would be neither viable nor practicable for smaller laundries on hotel sites. Sunlight has **reduced its carbon dioxide emissions by over 30,000 tonnes per year and more than halved its annual water consumption** since 2005, becoming one of the first UK companies to be awarded the Carbon Trust Standard Certificate in recognition of its achievement.
- **ARAMARK** provides catering and facilities management for BP at its North Sea Headquarters in Dyce, on behalf of some 1,500 BP staff. As a result of innovative packaging techniques, the facility has avoided sending **570 tonnes** of packaging to landfill since 2008 - saving an estimated £32,000. Where waste is produced, it is recycled - in 12 different waste streams. With the two companies working together, recycling rates at the site have more than doubled. For example waste food caddies have been placed at all coffee areas - so tea bags, fruit cores and skins and coffee grounds can be collected for composting. The circle is then completed by buying back the resulting compost to use on the grounds as a soil fertiliser.
- **Balfour Beatty** is helping a range of clients across the private sector with carbon footprint planning; reorganising procurement processes; project implementation and modifying maintenance to help clients save on their energy bills and help the environment. One client saved **£6.3 million** over their first four years working with Balfour Beatty.
- In 2011 William Hill backed **Interserve** as their first single source partner, supplying retail cleaning to 2,300 betting shops nationwide. Interserve is helping reduce the cleaning bill by £8 million, a 34 per cent saving; deliver a more productive and sustainable environment; and **increase recycling by 15 per cent**.
- **Carillion** regularly extends the scope of its commercial facilities management contracts to include energy management and efficiency services. For example Carillion Energy Services installed for the Nationwide Building Society a 50kW solar photovoltaic system to generate electricity to power the Society's head office. The 178 panels will generate up to 50,000 watts at peak output - protecting against future energy price increases and cutting annual carbon emissions by more than **20 tonnes**.

The Future: Opportunity for Greater Involvement in the Private Sector

BSA members already provide services to almost all FTSE 100 companies, playing a crucial role in helping Britain's largest firms compete in the global marketplace. There are several steps the Government can take to help release further the potential of the services industry in the UK.

Keeping Borrowing Costs Down

First, low borrowing costs are crucial. The BSA has therefore welcomed the Government's ongoing commitment to controlling the public sector deficit, which is helping to keep interest rates low at a time of great international uncertainty.

Supporting Business

Second, businesses of all sizes need to be confident that they can rely on the support of government - including those larger companies which provide economic leadership and on which the SME supply chain is often based. Businesses are interdependent on each other for their success.

A favourable tax and regulatory environment is vital if UK businesses are to be able to compete on the world stage.

The Government has taken steps in support of its aim to create the most competitive corporate tax regime in the G20. However studies show the position is far less favourable in respect of allowances for capital investment.¹² This has the effect of discouraging infrastructure investment, contrary to the Government's stated aims.

The BSA has also welcomed the Government's attempts to control and in some cases reduce the amount of regulation which hampers innovation and growth. Not all regulation is unhelpful. BSA members have consistently supported protection for employees in the workplace; in fact they have often gone far above and beyond statutory requirements on TUPE, the Fair Deal and other measures. However it is clear that there remains much to be done in eliminating *unnecessary* red tape, and we welcome recent announcements to this effect. A report commissioned by the National Audit Office and BIS this year showed 55 per cent of businesses as a whole still think the level of regulation is an obstacle to their business - although this is a drop from 62 per cent in 2009.¹³



Helping Exporters

A strong export market is crucial as Britain emerges from recession. Exports enable companies to increase their growth, productivity and employment opportunities, and to protect themselves against domestic downturns. At a time of difficulty and uncertainty in European markets, the service sector has a particularly important role to play in exporting worldwide, often benefiting as it does from lower transport costs than exporters of goods.

A recent BSA survey of members showed almost half of respondents agreeing with the statement that market opportunities overseas had increased over the last year - with no-one disagreeing.

The UK outsourced services industry has a global reputation as a world leader. The role of the Foreign Office and UKTI in helping companies take advantage of this expertise should not be underestimated. We welcome the overarching UK belief in free trade. However the BSA is organising roundtables with trade representatives from several overseas markets, and one consistent theme - from both sides of the table - is for the UK to learn from best practice elsewhere in the proactive promotion of UK exports and exporters, especially in emerging markets.

Investing in the Next Generation

The fourth requirement for economic success is a well-trained workforce. At a conservative estimate, BSA members provide over 50,000 days of training in the UK every year.

BSA Members: Leading the Way on Training

- **Babcock** provides Network Rail's apprentice training programme, covering technical, academic and vocational qualifications. Over the past six years, Babcock has trained 1,425 Network Rail apprentices, and it won the 'Investing in People' award at the Network Rail Partnership Awards 2011. Babcock is the **UK's largest provider of vocational training**, training over 22,000 apprentices each year drawn from companies nationwide.

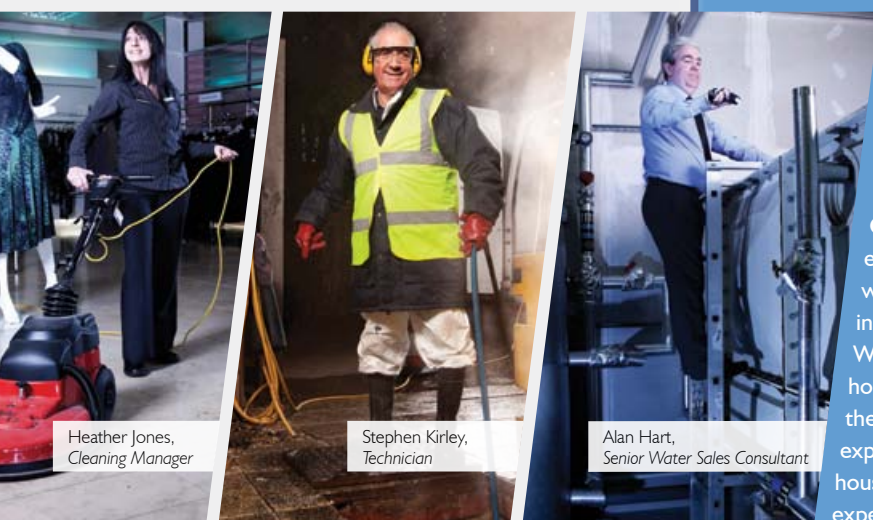
- As part of its Birmingham Highways Maintenance and Management Service contract - the largest of its kind in the local government highways sector - **Amey** agreed a partnership charter with the City Council and Jobcentre Plus to boost training and employment. This has seen 72 long-term unemployed local people, 18 apprentices and 3 graduates securing full-time roles on the contract in the first 18 months alone.

- Initial Facilities, part of the **Rentokil Initial** group, delivered over 7,000 days of training in 2011. And in 2012, Rentokil Initial launched a new Rentokil Initial Values Programme, which aims to improve skills in the basics of numeracy and literacy for those on the frontline, as well as helping to develop excellent customer service and care skills. It does away with the traditional academic basis of previous numeracy and literacy courses and makes sure that lessons are rooted in the practicalities of employment, using interactive learning aids. Participants are encouraged to take 'ownership' over their own performance and objectives. The programme is also flexible enough to be delivered either as a whole over three days, or as 'bite size' workshop sessions over several weeks. The programme had a 92 per cent success rate - higher than the average for other Skills for Life programmes in the UK - and there are now plans to extend it to South Africa, America and the rest of Europe.

- **John Laing** is helping Barnsley Metropolitan Borough Council transform secondary education across the Borough. As part of this work it is working with local service providers, such as Barnsley College, on apprenticeships and training. An apprenticeship scheme has been established by John Laing that was awarded the Barnsley College Board of Governors Award in 2012.

- Over the last few years **MITIE** has been creating a network of Facilities Management Skills and Construction Centres across the UK. These are currently helping over 500 14-16 year olds learn a range of skills and obtain nationally recognised vocational qualifications.

- **Pinnacle PSG's 'Work It!' initiative** provides work experience and learning opportunities for young people who are without education, employment or training (NEETs) in the housing it manages. The scheme is being piloted in Westminster, where Pinnacle PSG manages nearly 10,000 homes on behalf of CityWest Homes; young people from the local area will have access to six months' paid work experience, above minimum wage, with Pinnacle PSG's housing management teams, acquiring specialist knowledge and experience. Each candidate will be aligned with an experienced senior Pinnacle PSG mentor.



Heather Jones,
Cleaning Manager

Stephen Kirley,
Technician

Alan Hart,
Senior Water Sales Consultant

When government subsidises training opportunities it should do so with two clear goals in mind: to give adults the opportunity to improve their skill sets, and to equip UK businesses with the trained staff they need.

The Government has focused its attention on boosting the supply of apprenticeships, something which the BSA has welcomed. However the structure needs to be more flexible, less bureaucratic, and able to adapt to the different requirements of individuals, businesses and industries.

At present, apprenticeships are often based around the requirements of learning providers, not employees and employers.

Therefore we have welcomed the independent review into the future of apprenticeships, led by the entrepreneur Doug Richard, and have contributed to this review.

There is an important role for industry, sector skills councils and others to work with schools, colleges and careers advisors to help promote the outsourcing sector as a career opportunity. The diversity of the sector, and the variety of markets in which individual companies operate within it, means a broad range of opportunities are often available. The industry offers fruitful, long-term career prospects, allowing people's creativity to flourish.

Did You Know...?

London's Barclays Cycle Hire Scheme - the 'Boris Bike' scheme - has accounted for more than 15 million journeys since its launch.¹⁴ It is run by Serco on behalf of Transport for London.

In setting it up, a key criterion was to recruit a genuine London workforce to fill the jobs available, and in particular to offer opportunities to those in need - including the opportunity to work as apprentices and to train towards qualifications such as NVQs.





BSA Members: Serving the Community

Whether they are working largely for private sector clients, clients in the public sector, or both, BSA members have a track record in fulfilling their responsibilities to their customers, the local community, and wider society:

- 'Click' is a **Capita** initiative in support of Go ON, a UK wide drive to help the 8.7 million UK citizens who have **never used the internet get online**. It encourages employees to pledge one hour of their time to this end, and to participate in community digital inclusion initiatives, like a recent workshop to help migrant women in Tower Hamlets. Capita also uses the services it manages to achieve the same goals. So, for example, if a caller to the Gas Safe Register doesn't know how to get online, the operator directs them to UK Online Centres where they can take a free introductory course.
- Initial Facilities, part of the **Rentokil Initial** group, works in the City of London with national employment charity Tomorrow's People to help get people back into work. Groups it helps include vulnerable young people, lone parents, ex-offenders and people with long-term health problems, including depression, and alcohol or drug addiction. Since the partnership with Tomorrow's People started in 2009, Initial Facilities has trained more than 400 long-term unemployed people in basic cleaning skills, accredited by the British Institute of Cleaning Science. Of these, 154 people have been placed in permanent employment. 85 per cent of them stayed on after 13 weeks and about two-thirds are still in work after a year. Initial Facilities gave permanent contracts to 60 people. For the success of their work, Initial Facilities and Tomorrow's People won the **2011 Business Charity Awards: Employment scheme section**, for "the company that has aided a charity or charities by offering employment, training, work experience or similar support to beneficiaries". A similar programme gives unemployed people the chance to become railway cleaning apprentices at Transport for London; the scheme is being run in a partnership between Jobcentre Plus, the National Apprenticeship Service and Initial Facilities.
- In 1998, **OCS** made a long-term commitment to **extend opportunity through sport**. The OCS Young Sports Person Awards is a sponsorship programme providing grass-roots funding to young athletes across a wide variety of sports. Over 200 young athletes have received awards. Several Olympics athletes were supported by the scheme - including swimmer Lizzie Simmonds; Louis Smith, the leader of the team that won the first British men's gymnastics team medal in a century; and Beth Tweddle, Britain's first ever female gymnast medal-winner.
- **ETDE** has been extremely proactive in working to support local communities and the businesses within them. Whilst recognising the need for strong supply chain it is proud to be able to show that **over 65 per cent** of the supply partners engaged by ETDE fall within the **SME category**.
- The Enterprise Foundation is a not-for-profit venture dedicated to adding value to **Enterprise's** services within communities. Following Enterprise's service partnership with Peterborough City Council, it launched a **three-year Enterprise Peterborough Community Engagement Plan** - covering everything from apprenticeship programmes for local young people to volunteering initiatives. The Foundation sponsors the Peterborough Street Bus in conjunction with Nacro, the national crime reduction charity. The bus helps young people in areas with high levels of anti-social behaviour and unemployment. As well as offering internet facilities and a space for young people to do school work and relax, the bus provides dedicated youth workers to offer advice on health, relationships and education. The aim is to use the bus 16 hours per week and to help 200 young people a year.
- A team of around 100 volunteers from **ARAMARK** have come together to help **extend opportunities through employment** in the London Borough of Newham. The scheme helps people with job training; making connections with employers; and accessing support services to help them find employment.
- **ISS Facility Services Landscaping**, in cooperation with the Royal Borough of Windsor and Maidenhead and social enterprise firm Blue Sky, is helping **ex-offenders back into paid employment**. ISS employed ex-offenders to perform tasks such as park maintenance, cemetery maintenance, grass cutting and tree planting over a fixed term contract in 2011, to offer a springboard to further employment in the future.
- **Compass** has introduced a number of innovative **health and wellbeing initiatives** this year and is well on track to meet the pledges it has made as part of the Government's Responsibility Deal, including on salt reduction and in providing customers with nutritional information in the form of Guideline Daily Amounts. '1% milk' has become the standard milk provided to customers across thousands of Compass sites; almost eight tonnes of salt has been sifted out of the business by a reduction in the size of Compass's salt sachets; and all artificial trans fats have been removed from the food it serves. Compass also led the way in committing to the Government's calorie-reduction Responsibility Deal pledge in March this year, promising to reformulate over 5000 of its standard recipes, reducing the calorie content in these dishes by up to 10 per cent. As part of the pledge Compass also committed to provide consumers with a wide range of healthier choices and more information about health and nutrition through its new Know Your Food programme.

At Present: the Industry's Contribution

Research carried out by Oxford Economics shows 40 per cent of outsourced services in the UK are provided to customers across the public sector.¹⁵

There are various indications of how this contribution is likely to change:

- The *Economist* reports some £80 billion of contracts currently outsourced by national and local government, with a rise to around £140 billion predicted by 2015.¹⁶
- A study by Jefferies¹⁷ of OJEU contracts and bid pipelines show more than £4 billion of tenders in the Government's pipeline this year - with three government departments (Justice, Defence, and Work & Pensions) in the lead.
- The BSA's own recent survey of members showed almost two thirds of respondents agreeing with the statement that market opportunities had increased for public sector outsourcing over the last year - with almost a sixth disagreeing.

Government Recognition

The contribution the industry can make to public services has been recognised by Governments of all parties over a period of some three decades. So has the importance of contestability, involving a split between the providers of services and those whose role it is to commission them - regardless of which organisation ends up providing the service.

The Labour Government in 2008 commissioned an independent review which reported:

'The evidence shows that there are clear benefits, to both users and taxpayers, in subjecting incumbent service providers to competition. The academic literature typically found the cost savings from competitive tendering to be between 10 per cent and 30 per cent (including when the in-house team won the bid) with no adverse effect, and sometimes an improvement, in service quality'.¹⁸

Similarly, the Coalition Government's *Open Public Services* White Paper states:

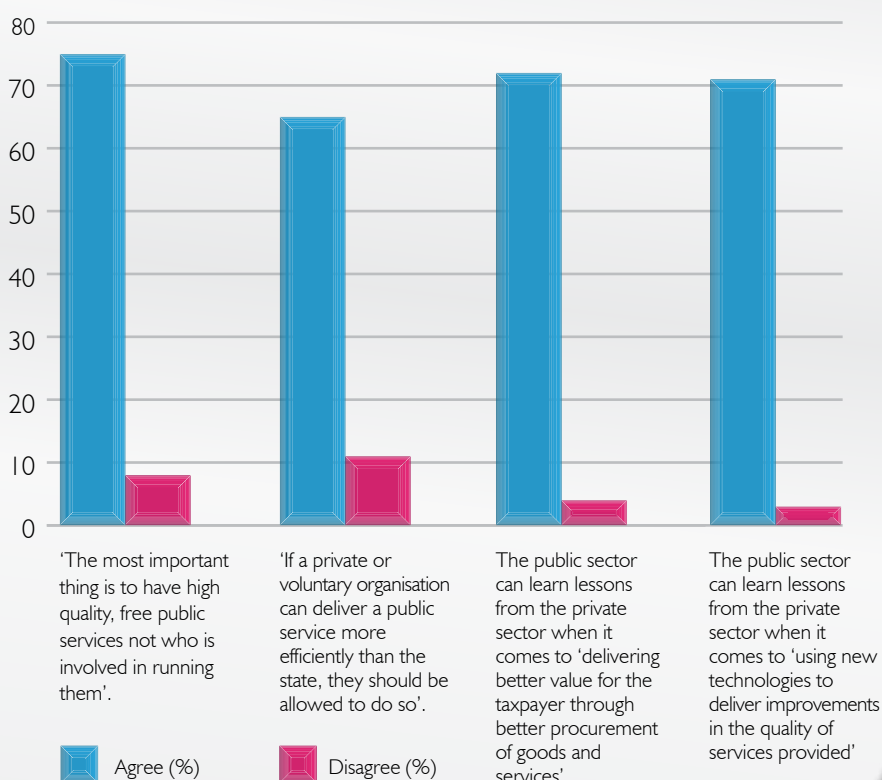
'Commissioning public services... - what is known as the purchaser/provider split - brings a host of benefits. For example, it encourages new, innovative providers to compete for contracts, allows payment by results and/or incentives for supporting particular social groups to be built into contracts, and enables the disaggregation of services into specialist functions'.¹⁹

Public Recognition

People's views on private sector involvement in public service provision often varies from service to service. But polling shows broad support for certain key principles. A survey conducted by Populus for Insight Public Affairs showed 75 per cent of people agree that 'The most important thing is to have high quality, free public services not who is involved in running them'.

66 per cent agree that 'If a private or voluntary organisation can deliver a public service more efficiently than the state, they should be allowed to do so'. That statement has the support of **over 60 per cent in every single region and nation of Britain.**

PUBLIC SUPPORT FOR PRIVATE SECTOR INVOLVEMENT IN PUBLIC SERVICES



Populus, survey conducted for Insight Public Affairs ²⁰



Transparency

From MPs' pay to the workings of Whitehall, people now demand far greater transparency - especially when it comes to the spending of taxpayers' money.

Public sector contracts with private and voluntary sector organisations should be no exception. BSA members believe only that which is **genuinely commercially sensitive** (in order to ensure the taxpayer gets best value for money) should remain confidential, between the provider and the people whose job it is to manage the contract on behalf of the taxpayer.

As Sir Bob Kerslake, Head of the Civil Service, told the Public Accounts Committee, government is working to achieve consistent standards on transparency in contracts.²¹

The House of Commons Justice Select Committee also looked at this issue. It concluded: 'The evidence we have received suggests that the use of contractual terms to protect the right to access information is **currently working relatively well**'. It said that, provided such contract provisions are put in place and enforced, 'we believe that contracts provide a more practical basis for applying FOI to outsourced services than partial designation of commercial companies under section 5 of the Act'.²²

The BSA has also been strongly supportive of greater transparency in data provision more generally, so that services can be driven by the needs and wishes of service users - and so potential private and independent sector partners have the data they need to be able to suggest ways in which value can be improved.

There needs to be a level playing field between the data published when a service is provided in-house and when it is outsourced; and between the data available to in-house providers and data available to potential private or independent sector providers. Benchmarked data needs to be available for all potential providers of a particular service. **Transparency is a two-way street.**

Benefiting Staff

It is clear that employees' pride in their jobs and in serving people is as strong in the best private sector organisations as it is in the best parts of the public sector.



In the world we are now entering, all those who serve the public will have a right to be recognised as public servants - regardless of whether the organisations for which they work are traditional public sector agencies, independent trusts, employee mutuals, private enterprises, social enterprises or community groups. Dedication to the provision of high-quality public services should be recognised as the hallmark of the public servant, **regardless of which particular type of employer he or she happens to work for**”

*Rt Hon Oliver Letwin MP and Rt Hon Danny Alexander MP,
Open Public Services 2012*

Furthermore, when a public service is outsourced, not only do TUPE and Fair Deal rules protect employees' employment and pension rights, but many BSA members go above and beyond these requirements in order to retain, recruit, motivate and reward their staff.

Did You Know...?

In 2008, the National Audit Office published a study of 15,000 staff who had transferred from the public sector to private sector employment. It found total employment increased by 20 per cent, and turnover of transferred staff averaged less than 8 per cent a year (with annual staff turnover for the public sector as a whole then standing at 12.4 per cent) ²³

Working across Public Services

BSA members now contribute substantially to the success of a wide variety of public services, often behind the scenes, including many services with the highest public satisfaction rates.

Case Study: The Gas Safe Register

Following a safety review, the Health and Safety Executive decided to overhaul the gas registration scheme with a view to revitalising gas safety among the 21 million gas consumers in the UK. **Capita** operates the new scheme.

Capita developed the Gas Safe Register, an award winning brand; designed and built a new accessible website for consumers and engineers; and opened a contact centre. Free gas safety advice is offered by the expert technical services team, and a more rigorous, risk-based inspection regime introduced.

Recognition targets were met and, partly as a result of initiatives such as Gas Safety Week, more than four in five people are now aware of the Register and the importance of gas safety.

Since April 2009 Gas Safe Register has received nearly half a million phone calls and 4.2 million web visits. Registration fees were frozen in 2012 for the third year in a row and 61 per cent of engineers have used the helpline.

As the co-chair of the All Party Parliamentary Gas Safety Group has said: "Gas Safe Register's contribution to public safety over the past three years has been **invaluable**. The Register has provided a fresh approach to raising awareness of gas dangers to the public and as a result we hope this will reduce the number of deaths relating to gas." ²⁴

Did You Know...?

Babcock has helped the BBC deliver the World Service around the globe for 15 years. This year it will co-ordinate 180,335 hours of transmission to some 180 million people worldwide. Babcock was presented with the Professional Services Award at a BBC Global News Reith Awards for its **exceptional effort** in protecting the BBC Asia relay station in Thailand from severe flooding.



John Young,
Technician

Dawn Pickering,
Manager

Eddie Davies,
Night Shift Manager



BSA Members: Helping the Public Sector Improve the Environment

Just as BSA members are contributing their skills to help private sector companies fulfil their environmental responsibilities, so they are helping public sector organisations improve the environment:

- The Zaha Hadid and ARUP **Aquatic Centre** design certainly met the 'iconic structure' brief for London 2012, with a double-curvature 120m-span roof design. **Balfour Beatty** engineering expertise brought the design to reality, on time and budget, whilst exceeding ODA sustainability targets. The original design for a solid hardwood ceiling cladding was re-engineered to save 400m³ of hardwood and the 15,000 seat capacity temporary stands were re-designed to allow for full dismantling and re-erection at another venue, post Olympics. Both played a major part in Balfour Beatty's **sustainable design and construct approach**.

- **Amey** is working in partnership with British Gas to manage **carbon reduction** for the Home Office. The arrangement, which works on a payment by results basis to ensure the taxpayer only pays for what works, is on track to save the taxpayer £1 million in costs; it has reduced the Home Office's CO₂ footprint by 2900 tonnes.

- **MITIE's** award-winning waste management contract at UCL was used to illustrate best practice for waste segregation by the Department of Health. Over three years there has been a reduction of 24 per cent in the carbon footprint, and 13 per cent in overall costs.

- **Sodexo** has helped three hospitals improve recycling rates from 40 to 92 per cent.

- In March 2011, a **Capita**-led design team working on behalf of the Environment Agency delivered Exercise Watermark, the UK's biggest ever emergency response exercise. Designed to test the country's responses to catastrophic flooding, the exercise brought together 50 different organisations - from government departments to water companies, hospitals and schools. 11,000 people took part. The Environment Agency's Programme Manager praised Watermark as "**an exciting and ambitious project**, which has undoubtedly set a new standard for national exercising."²⁵

- **Enterprise** works on behalf of The Royal Parks, which hosted several **Olympic and Paralympic events** for LOCOG - including Beach Volleyball, Triathlon, Race Walk, Marathon, and Marathon Swim - welcoming two million spectators. Enterprise's work included removing blanket weed from the Serpentine Lake and re-turfing the lawns outside Buckingham Palace following the Diamond Jubilee. In Hyde Park a crew of 'scavenge staff' worked night and day during 'BT London Live' shows to dispose of the

large volume of waste. During Games Days Enterprise provided an additional 130 staff each day - and a 24-hour service for road-sweepers and dustcarts for the clean-up operation. Before each triathlon event Enterprise teams spent the previous night sweeping the entire race route in preparation. Enterprise also undertook the task of flying the flags along the Mall; they were installed at night to avoid damage, and because preparations for events were taking place during the day.

- In response to the Government's energy reduction targets for its own estates, **ETDE** spearheaded a carbon reduction plan which resulted in a suite of engineering projects, technical solutions, retro-commissioning and behaviour change for a central government client. The overall result of this is an annual energy reduction that has **surpassed the Government objective by 50 per cent**. At the same time there has been a reduction of 1,482 tonnes of CO₂.

Within the University sector ETDE has undertaken the following projects:

- ✓ Installation of rainwater harvesting tanks that hold 3,800 litres each and are fed by downpipes from the roof. Water is filtered and used to operate the window cleaning service and flush toilets across the estate, significantly reducing consumption costs.
- ✓ Introduction of waterless urinals and flush control, reducing water consumption by 34 per cent.
- ✓ Introduction of LED lighting reducing energy consumption costs by 70 per cent.
- ✓ Installation of Power Optimiser units, which will deliver a 20 per cent annual reduction in electricity consumption and payback in three years.
- ✓ Recycling clinical lab waste into biomass pellets to power Combined Heat and Power, thereby reducing the environmental impact on two projects. This is cost neutral and saves 160 tonnes a year.

Defence Services

Modernising the way in which the MoD conducts its business has been one of the Government's priorities. This includes working more closely with private sector partners where they can provide value for money.

The new Defence Infrastructure Organisation (DIO), which brought together all estate and infrastructure management under one

organisation, is establishing a series of contracts for facilities management, construction projects, housing and the training estate.

The MoD is also looking at whether the private sector could be involved more in its procurement operation - which has long been a source of concern to successive Governments.

BSA Members: Supporting Britain's Defence

- **Babcock** is a leading provider of equipment support, military training and built asset management, delivering mission-critical services through long-term partnering relationships. It manages and supports over 30 per cent of the MoD vehicle inventory and over 25 per cent of all MoD rotary and fixed-wing aircraft. It also maintains and supports the Royal Navy Fleet at Devonport and Clyde - providing engineering, estate management, waterfront services, logistics and transport, and catering services. These contracts have saved in excess of £400 million over ten years. In addition, Babcock trains 50,000 service personnel every year, providing a total of 1.5 million 'man training days' per annum. Babcock also supports the British Armed Forces in energy management and sustainability, providing a team of advisors to deliver over £10 million of savings through energy and water saving initiatives.

- Integrated services specialist **ARAMARK** provides catering and 'soft' facilities management services - such as accommodation management, cleaning, laundry and pest control - to MoD sites across the UK, including to 26,000 army officers, warrant officers, sergeants and junior ranks at MoD bases in Hampshire. Efficiency savings have ranged from recycling improvements which have realised savings in catering, to improved productivity in cleaning. In addition, ARAMARK's cafés, bars, vending and shops on site have made trading profits which have been shared with the MoD. Its partnership approach, flexibility to adapt to the MoD's changing requirements, and knowledge of the sector have seen ARAMARK's contract in Hampshire extended for a further two years.

- Repairs and maintenance service provider **Morrison's FM division** provides maintenance services to 744 homes in England and Scotland, which are owned by private companies and leased to the MoD. One such client is Tricomm Housing (Portsmouth) Ltd which runs the Daedulus Project, a 148-property housing estate. Innovations delivered by Morrison include an on-line booking system, providing returning Service personnel with the level of customer service they would receive from a quality residential lettings agent. Morrison also carried out a comprehensive review of all Computer-Aided Facilities Management held asset data, to make sure services are in line with industry best practice as well as statutory requirements and written guidance from manufacturers and suppliers. This enabled

Morrison to set the absolute standard of maintenance provision and demonstrate complete compliance in attending to assets entrusted by clients. The information provides a benchmarking tool for the client, and helps provide asset life data which is used by Morrison's FM division to improve the support services it provides. Steve Winterbourne, Tricomm Housing Ltd, said: "Morrison has provided an **exceptionally good** FM service at the MoD housing sited in Bristol and Portsmouth, consistently exceeding performance targets. Their professionalism and cheerful helpfulness have impressed the MoD client and the housing occupants alike."

- A **Carillion Enterprise** joint venture has a seven-year contract to manage the maintenance, new build and refurbishment of around 8,500 MoD buildings and other infrastructure. Behind Carillion's successful bid was the objective of transforming service delivery for the MoD by driving through a more collaborative approach to working. This included improved supply chain management, a continuous improvement approach and greater economies of scale. As a result, achievements have included increased productivity through the supply chain, 77 per cent of construction waste being recycled and a significant reduction in energy usage.

- **Sodexo** provides catering at a significant number of MoD bases. It has introduced more flexible services to respond better to the needs of today's Service personnel. At the first garrison where this new service offer was rolled out, the cost to the MoD per meal served fell by 65 per cent and the take-up of meals rose substantially.

- **Elior's** work as a multi-service provider to the MoD has put the company at the forefront of the drive for innovation in the provision of food services on military bases. A key challenge there is to balance the growing demand among soldiers and their dependents for a wider choice of food types against the special environment of a military base. Elior's response has been to design, in collaboration with Commanding and Authorising Officers, a new service approach - which maintains the 'core meal' concept, but builds around it a number of other options matched carefully to changing customer tastes. Customer response to the new service approach is very positive, and at one base Elior now caters for 1900 customers, usually with the majority of them eating three meals per day, 7 days a week.



Education Services

The private sector has long worked in partnership with schools, providing a wide range of services. Today the devolution of responsibility - especially with the rapid growth of academies - allows governing bodies to take that work forward where this is in the interest of the school.

In a recent survey, 70 per cent of academies cited freedom to buy services from external partners as an important reason for their conversion.²⁶

Private sector service providers have an established track record of providing innovative, high quality and cost effective services - allowing Head Teachers to focus on their core role of educating young people.

The private sector has also long offered whole-school management services across the education system - especially in cases of Special Educational Needs and alternative school provision.

BSA Members: Supporting Britain's Schools and Universities

- **Prospects Improve**, part of the Prospects Group, partnered with Manor Park Primary School in Birmingham to improve standards and raise the quality of teaching. The school is in an area of considerable deprivation and has a high number of pupils with Special Educational Needs. When Prospect Improve began work, staff turnover was high; Ofsted 'special measures' were predicted; and attendance was below 85 per cent. Additional training was provided for staff teaching pupils whose second language was English, performance reviews were developed to help identify Continued Professional Development (CPD) needs, and all staff were trained to be 'inspectors in their own schools.' After a year the school was judged 'satisfactory', and good improvement was noted the following year; attendance rates have increased to 94 per cent; and the school's Head Teacher has won a national award.
- **Babcock's** innovative joint venture with Surrey County Council - Babcock 4S - has resulted in the development of a new sustainable approach for improving local authority education support services and school effectiveness, whilst reducing costs. Since 2004 it has delivered over £11 million in savings. The Council's Cabinet Member for Children and Learning has praised the partnership with Babcock for delivering **"excellent education results, good financial returns and a stable partnership for the future."**²⁷
- **ETDE** is a long term partner of King's College London. As part of the relationship, ETDE committed to fund and undertake a programmes of work, with the objective of enhancing the student experience. The result was a £0.5 million project to redevelop the reception and café areas at two campuses. The works, fully funded by ETDE, have been a significant success. They improved the student, college and visitor experience through increased student breakout space, additional meeting areas with multi-media facilities and an enhanced restaurant area. The project has recently secured a RIBA award for "Small Budget, Big Impact". In addition, to celebrate the 10th anniversary of the partnership project, ETDE contributed to the overall brand of the University by funding the installation of a street-level frieze that maps the important contribution of King's College's alumni in discovering the structure of DNA.
- **Pinnacle PSG** provides facilities management for up to two hundred schools across the country, including four long-term contracts covering 19 schools in Leeds, Kirklees, Slough and Clacton. This year one of the schools, Clacton Coastal Academy, organised a 'Futures Week' event for over 100 sixth form students. 'Futures Week' was a week-long series of coaching from the Academy, Universities and Colleges Service (UCAS), Pinnacle PSG and members of the Clacton Round Table. UCAS provided insight to those looking to go to university; those looking to go straight into a career attended a series of workshops supported by Pinnacle PSG - covering subjects such as effective interview technique, writing a CV, completing an application form, managing personal finance and banking and opportunities for modern apprenticeships. During the week, the students were given the opportunity to put what they learnt into practice and took home a completed, well-polished CV or university application form.
- **Enterprise** is a sponsor of Enterprise South Liverpool Academy, contributing funding and expertise. The Academy opened in September 2010, replacing two failing schools in South Liverpool. Since then the number of pupils obtaining at least 5 grades A*- C, including English and Mathematics, has risen from 36 per cent in 2010 to 39 per cent in 2011 and 53 per cent in 2012. A Level results have also improved. A new £26.4 million Academy building, which will be ready for occupation in early 2013, will bring all the students on to one site in a state-of-the-art learning facility.
- **Elior** caters for some 28,000 students and staff at Kingston University. Catering sales more than doubled over a five-year period, and the Head of Support Services at the University commented: "It is clear that the services provided by Elior are **highly valued** by the students and staff."²⁸

Healthcare Services

BSA members have a long track record in delivering services across the healthcare system - including support services like cleaning, catering, portering, textile services, back office support, and grounds and building maintenance; and services such as pathology services, diagnostic tests, out of hours contact centres and telehealth support services. All these services contribute to the patient experience, and release NHS doctors and nurses for front-line care.

Today the NHS faces unprecedented challenges. Not only will the responsibility for commissioning many health care services be transferred to local Clinical Commissioning Groups from next April, but these reforms are taking place against a backdrop of substantial efficiency savings which need to be achieved because of rising demands on the Service.

It is therefore more important than ever that a level playing field exists which allows private, social enterprise and voluntary sector expertise to support the NHS, so the NHS can remain a world-class health care system which provides services free at the point of use and on the basis of need and not ability to pay.

BSA Members: Supporting the NHS

- **Interserve** provides a wide range of services across University College London Hospitals (UCLH) - including maintenance; patient catering; logistics; portering; linen and laundry (via Sunlight); waste management; grounds maintenance; and security. Interserve helped improve the Trust's Patient Environmental Audit Team (PEAT) rating - which looks at items like food, privacy, dignity, and the patient environment - from 'red' to 'green' in just 15 months. Interserve has developed a new carbon management plan, seeing a 14 per cent cut in the Trust's carbon footprint over the last twelve months. A UCLH survey found some 95 per cent of visitors feeling safe, thinking staff were helpful, and considering the hospital to be well maintained. Meanwhile a new CCTV system resulted in £500,000 less per year being spent on security, whilst efficiencies in the portering service saved another £120,000.

- Steamplcity is the **Compass Group's** unique cooking system that steam cooks food to perfection in just 4 to 6 minutes using minimal equipment. It feeds hospital patients and care home residents more flexibly and has already saved a number of NHS trusts in excess of £250,000 each per year.

- **Berendsen** provides linen, laundry and integrated textile management solutions to over 200 NHS Trusts. Berendsen employees top up linen levels daily on each ward to ensure that medical staff have sufficient linen to ensure patients' comfort. Investment in hand-held scanners, to transmit linen requirements instantly to Berendsen's factories from each hospital ward and delivery point, enables production to be planned in real time to replenish hospital stock levels.

Case Study: Helping People with Long-Term Conditions

15.4 million people in England live with long-term conditions.

The Expert Patients Programme Community Interest Company (EPP CIC) is the market leader driving the development and delivery of self-management programmes to improve the lives of people, who live with one or more long-term health condition, and their carers.

The EPP CIC vision is to create a society where individuals have the skills and support to manage their health and to live lives to their full potential. Its mission is to establish the principles of self-management as a recognised public health measure delivered in a cost-effective, sustainable way. Set up in 2007 as the first national community interest company, EPP CIC designs and delivers courses to meet a diverse range of people's needs, including those in marginalised groups. Self-management programmes engage patients to manage their conditions more effectively, thereby reducing health costs. EPP CIC works with patients, healthcare providers, clinicians, businesses and other partner organisations to embed self-management across all social sectors and address health inequalities. It actively supports patient engagement and builds programmes which enable patients to be at the centre of their care.

So far over 100,000 people have attended an Expert Patients Programme course and 1,700 people have been trained as tutors. Research has shown positive outcomes from EPPCIC's innovative approach.



My most rewarding voluntary work is as a tutor/facilitator for the Expert Patients Programme Community Interest Company (EPP CIC), which runs courses for people with long-term health conditions to improve their self-management. Being a volunteer is therapeutic for me, as I was not able to return to full-time work due to my own health condition. Not working left a big void; I missed the contact with people and the challenges of work. Having enrolled on an EPP CIC course to support my own self-management, I went on to train as a tutor, facilitator and mentor. Being a volunteer means I have a role to play again. Both as a dad and as someone who worked as a general manager, it's important to me to have a role. I use the self-management techniques regularly and am pleased to be able to share them with others and 'put something back'



EPP CIC Volunteer Peter Johnson



Housing Services

The services private providers offer to housing associations and local authorities range from traditional repairs and maintenance to whole housing management (including tenancy management, resident participation, collection of rent arrears, management of anti-social behaviour, grounds maintenance, cleaning, empty property management, customer services and tenancy audit).

However, it has been estimated that, whilst social housing providers currently outsource a greater proportion of *repairs and maintenance* services, only 1.5 per cent of social housing is *managed* by private providers.²⁹ Unequal VAT treatment may be one reason for this.

The Government is looking at how management services might be opened up. Changes to the funding mechanism will also give local authorities increased control over revenues from housing - and will therefore increase incentives to find efficiency savings within their housing programme.

Some estimates suggest that increasing contestability in social housing management could save up to £1.5 billion annually.³⁰ Separating the owners and managers of social housing empowers tenants to improve their surroundings, because it is easier for residents to ask to change their management company than their landlord.

Case Studies:

"Consistently High Standard", "Excellence in Working Together", and "Best Neighbourhood Improvement"

- A decent homes scheme, managed by **Pinnacle PSG** for Liverpool Mutual Homes on the Rock Grove estate, received the **Best Neighbourhood Improvement of the Year** award at the Liverpool Echo's 'Merseyside Environment Awards 2012'. The project involved the renovation of 55 homes on the Rock Grove estate in Liverpool and the regeneration of the surrounding area. Just 18 out of 55 homes had tenants before the project began; lettings had been suspended for five years; and the area was a national hotspot for crime. Pinnacle's regeneration work in partnership with residents means anti-social behaviour is now almost non-existent; social and support clubs exist for residents; a new, award-winning tenants association is in place; and all 55 homes are now occupied.
- **Kier** Stoke, Stoke-on-Trent City Council and local residents teamed up to review the repair service Kier provides - from the first reporting of a problem to the completion of the repairs. As a result of this teamwork approach, services were improved; repair

times were reduced dramatically; customer satisfaction ratings averaged 9.9 out of 10; and the service won a national award for 'Excellence in Working Together'.

- **Sodexo** provides comprehensive landscaping services for Wakefield District Housing, the second largest housing association in the country. Its team includes eight apprentices from Wakefield who have spent 18 months on Sodexo's apprenticeship scheme and are being trained to achieve a City & Guilds diploma in work-based horticulture. Sodexo has expanded resident feedback and played an active role in supporting community projects. A Wakefield District Housing Manager has praised the service from Sodexo as being a "**consistently high standard**", and said Sodexo's involvement in local projects had really helped to "instil a sense of community in the area".³¹

- In April 2012 following a competitive process Woking Borough Council handed over its housing management functions to a joint venture between **Pinnacle PSG** and Mansell, called New Vision Homes. Service innovations - such as a 24/7 hotline, community initiatives such as gardening and youth clubs,

increased resident consultation, and weekend neighbourhood office opening hours - led to **resident satisfaction rising by 22 percentage points in the first three months**. 30 per cent efficiencies are also being achieved, and additional savings are being redistributed to front-line services.

Source:
Liverpool Echo, 12 July 2012



Wright visits an estate once plagued by crime which has turned into a success story.

ROCK GROVE was a no-go housing estate. Blighted by crime it fell in the top 5% of the most deprived areas in the country. Half of the estate was empty while dealers used it as a store for drugs and guns. Worst maintenance staff rarely entered the estate with a court order.

After radical regeneration work, a new housing scheme has model estate. It's still out in their pretty area is a regular book waiting list has grown of moving in.

A rocky road to a bright future



SUCCESS: Residents from Rock Grove and Liverpool Mutual Homes link arms after joining forces to turn the estate, which was once an eyesore and blighted by crime, into a prosperous community that has won a regeneration award.

Pictures: JAMES MALONEY

their residents' association, the service, the Liverpool city companies and

alcohol behind the flats. They'd get rowdy and leave a lot of mess. Now we have landscaped gardens with patio furniture and it feels

out crime and making it a place where people would want to live. LMH turned the estate on its head

outside and everyone knew everyone else. I was part of the family were growing up. It wasn't too bad.

hanging around drinking. It felt very unsafe. When LMH came in, it was a

Justice and Home Affairs Services

The *Open Public Services* White Paper set out the current Government's approach across justice and home affairs, continuing the approach of its predecessors:

'We will not take a commissioning approach in national security or the judiciary, which are natural monopolies of state provision. This will include... core policing, intelligence services and the judges. However, there will still be support, specialist and back-office functions in these services where diversity of provision is appropriate.'³²

Independent reports have illustrated the contribution made by private sector partnerships in the justice system. As one study, while expressing caution over the early nature of the findings, noted:

'early findings indicate that staff-prisoner relations may be a significant factor distinguishing prisons under public and private management in the UK. In the early years of this so-called experiment, a surprising number of findings indicate that many (although not all) private prisons **significantly outperform** traditional public sector prisons in the areas of **staff attitudes, and levels of fairness, respect and humanity towards prisoners**'³³

It is to be welcomed that the Ministry of Justice is looking to take this partnership work forward where appropriate - in areas such as prison management, prisoner escort and custody services, probation services, and Community Payback.

Case Studies: A Rehabilitation Revolution, Reducing Reoffending, and More Decent Prisons

- **HMP Doncaster** is run by **Serco** in an innovative partnership with Catch22 and TurningPoint. The payments received by Serco are linked to its success in delivering reduced rates of reoffending, through a payment-by-results contract. In 2010 an independent evaluation found that **"the prison is considered to be leading the way in terms of the rehabilitation revolution"**.³⁴ Also in 2010, the Guardian awarded its 'Public Servant of the Year' award to John Biggin, the Director of HMP Doncaster.

Serco and its partners' innovative management includes: increased emphasis on work and skills acquisition to simulate a '9 to 5' working day; reducing security for family visits to encourage better contact with loved ones; and partnering with charity Catch22 to match former prisoners with a local volunteer to help them re-integrate into society. As well as increasing the quality of service, taxpayers have benefited from a fall of nearly £3,000 in costs per prisoner between 2007-8 and 2009-10.

HMP & YOI Doncaster's achievements include:

- ✓ being awarded a Crystal Hearts Award by the Partners of Prisoners;
- ✓ receiving the Charter Mark for excellence in the provision of public services, and the Investor in People award;
- ✓ being awarded the British Safety Council 5 star Safety Management award;
- ✓ winning the Barclays Bank Partnership award for setting up bank accounts for prisoners;
- ✓ being given a Criminal Justice award for work done around outreach support for prisoners and families; and
- ✓ the prison being awarded by Businesses in the Community their Collaborative Action award and Energy Innovation award.

- In September 2010, a Payment by Results project for offenders was launched at **HMP Peterborough**, with **Sodexo Justice Services** at the heart of it.

The project uses funding from social investors, rather than the Government, to fund reduced reoffending. Investors only receive a cash return from the taxpayer if reoffending is cut by a set amount. Praising this innovative approach to tackling reoffending, then Secretary of State for Justice Rt Hon Ken Clarke QC MP, said: "The voluntary and private sectors will be crucial to our success" in reducing reoffending.³⁵

- In October 2011, **HMP Birmingham** became the first prison in Europe to transfer from the public to the private sector. **G4S** delivered the mobilisation on time and on budget, including the transfer of over 600 staff.

Service improvements include G4S's investment in anti-drug netting in exercise yards, which led to a reduction in positive mandatory drug tests, exceeding the target. HMP Birmingham's Prison Rating System (PRS) score has increased from 2.72 to 2.83, based on the improvements G4S has made in reducing prisoner reoffending and managing resources.

Meanwhile taxpayers again benefit, with the annual cost per prisoner place falling by 27 per cent; annual operating costs will reduce by some 35 per cent over the life of the contract.

HMP Birmingham was inspected by Her Majesty's Inspectorate of Prisons in January 2012, three months after the transfer. Nick Hardwick, the Chief Inspector of Prisons said that, while challenges remained, HMP Birmingham was a **"cleaner, safer and more decent place"** and that "the prison was clean and relationships between staff and prisoners were **generally good and very much improved.**"³⁶



Meanwhile, at a time of financial restraint, outside organisations can also help the police improve value while protecting important frontline services.

Partnerships with the private sector can release warranted officers from back and middle-office duties, and allow them to focus on their core responsibility - protecting the public.

Case Study: Releasing Resources and Putting Police Back on the Beat

As a result of the strategic partnership between **G4S** and Lincolnshire Police Authority, G4S are providing a range of services to support the front line - including human resources, fleet management, IT, custody services and firearms licensing.

575 members of staff transferred to G4S without any disruption to services - and all Key Performance Indicators continue to be met or exceeded. Lincolnshire are guaranteed to benefit from savings of £28 million and from a substantial investment in infrastructure, with plans for a new state-of-the-art £8 million police station. An eight-week trial in one area - where G4S picked up arrested individuals from warranted officers at the point of arrest, and then transported them back to custody suites and carried out the booking-in process - saved an estimated **350 hours in frontline police office time**.

Meanwhile Chief Constables remain in charge of all operational decisions and elected Police and Crime Commissioners (PCCs) will set policing budgets and priorities. In addition, there is an extra layer of responsibility as G4S measures service delivery and reports to the Police Authorities (soon PCCs) on a wide range of performance indicators. IPCC co-operation and compliance has been included in G4S' strategic partnership contract.

The Chairman of Lincolnshire Police Authority, Barry Young, said: "We have demonstrated that it is possible to negotiate a complex agreement in a relatively short period of time that will **provide benefits well into the future**" and "Crucially, the new strategic partnership will also deliver **significant infrastructure investment** that will offset the budget reductions called for by the Government." ³⁷

Local Government Services

Local government has faced more front-loading of cuts than other major sectors of government spending. The challenge for councils is to respond not with an equivalent cut in front-line services, or even to imagine that all savings can be achieved simply by cutting the 'back office'. Rather, councils can seek to transform the way in which services are delivered and can do so in collaboration with others, including genuine partnership working with the private sector.

Did You Know...?

*The Government's recent report on National Well-Being shows people are more satisfied with their refuse collection and recycling services than with **any other local service** they were asked about.* ³⁸

*Refuse collection and recycling services are amongst the local services which are **most often outsourced** to private companies.*

A recent survey by YouGov, for BSA member Interserve, showed outsourcing now accounts for just over a quarter of all council services, compared with a fifth in 2011. The total is expected to rise to over 30 per cent by 2014-15. ³⁹

However this trend varies greatly. County councils, London authorities and metropolitan authorities expect 45 per cent of services to be outsourced; the figure for district and unitary authorities is less than 30 per cent.

The YouGov survey showed fully **four in five councils** said working with a commercial partner had been either 'fairly' or 'very' successful.

The BSA believes moving towards genuine partnership working - alongside more traditional contract procurement - has the potential to improve these figures further. Collaborative service delivery can transform not only the efficiency with which services are provided but also, vitally, their quality.

BSA Members: Leading the Way on Local Services

- **Interserve** provides a wide range of facilities services for London's largest Borough, **Croydon**. The Council's taxpayers have benefited from £6 million in savings, with the number of invoices - and associated processing time - cut from 28,000 to just 12 per year. Interserve is now working to achieve a further £9 million saving by 2016. The partnership has also involved joint initiatives around energy saving, carbon reduction, Fair Trade, community and customer engagement, and developing a single point of contact for users. A customer survey consistently demonstrates performance above target.
- Working in Partnership with Sheffield City Council, **Kier** has improved cost efficiency and service levels across its support operations. A new Corporate Asset Management approach has resulted in annual efficiencies approaching £1 million as well as improved levels of customer service, without compromising standards.
- **Carillion** is the main contractor responsible for building the new £157 million state-of-the-art **Library of Birmingham**, which is due to open in September 2013. The project has already created job opportunities for over 200 local, long-term unemployed people from some areas of the city with the most persistent unemployment. Carillion has created further opportunities for 75 apprentices, trebling its original target of 25. In the process, Carillion won the **Best Social Impact Award** at the 2012 Guardian Sustainable Business Awards.

Surveys repeatedly show the importance of relationship-building to the success of local partnerships and joint ventures, based on the principles of mutual openness, engagement and communication. This requires leadership, genuine commitment and clarity of purpose on both sides, and an ability of both parties to accommodate and adapt to the culture, management style and corporate philosophy of the other - including their aims and objectives, the stakeholders they answer to, and the constraints each are working under as a result.

In future, the Public Services (Social Value) Act will also require local authorities and other bodies, when entering into public procurement contracts, to give consideration to economic, social and environmental wellbeing during the pre-procurement stage. Communities will benefit from such considerations being taken into account; these provisions reflect and build on existing good practice amongst BSA members.

Case Study: Libraries in Hounslow

In 2008 the London Borough of Hounslow entered into a strategic partnership with **John Laing**, outsourcing the management of the Council's leisure portfolio - everything from its 120 parks and open spaces to 11 libraries, nine cemeteries, three heritage sites, a theatre and artist studios.

With a commitment to investment, people, culture and technology, the partnership has delivered dramatic improvements to the library service for residents:

- ✓ The IT infrastructure has been totally modernised and new technologies such as self service and RFID and Wifi have been introduced. Improvements to the Library Peoples Network have resulted in a customer satisfaction rate of 83 per cent.
- ✓ Two new community hubs have been developed, bringing libraries and leisure centres together; four libraries have been refurbished; and further works are planned for 2012-13 including an ambitious plan to bring library and adult services together.
- ✓ So far the Council has saved £1.2 million (21 per cent overall) with further savings in 2012 guaranteed. Library utility costs fell by a fifth in 2011.
- ✓ Service backlogs have been dealt with, and an integrated facilities management solution has been introduced. The number of calls reacting to problems is down by 40 per cent in two years.

While some councils are considering closing their library services, Hounslow has a commitment to keeping libraries open. Furthermore, while nationally there has been a decrease in library visits, in Hounslow they are increasing - and Hounslow Library has become the third most visited library in London.



We need to **redefine the relationship** between the 'public sector' and the 'private sector'. Local government must **fully embrace** companies as part of the local community. In terms of providing services it is the **quality and cost** of the service, not who provides it, that matters. Procurement needs radical reform. The rules are excessively complex, and too often councils seem to make a fetish of applying them as rigidly as possible. This drives up bid costs, discourages companies from pitching for work, wastes vast amounts of council time and produces contracts which are legally watertight but too inflexible to meet changing demand or allow new solutions. **We need genuine partnerships with businesses, not contractual nitpicking**

Local government leaders SOLACE, Communique, 13 October 2011



Case Study: Planning in Hillingdon

TerraQuest, the Land and Property Business Solutions provider, is delivering an 'End to End Planning service' for the London Borough of Hillingdon. Since the 10-year contract went live in May 2011, TerraQuest has been processing 200 to 250 planning applications per month. The service is based on a partnership between the Council and TerraQuest, with a shared set of objectives, that builds on the strengths of the two organisations.

The service delivers pre- and post-application advice, scanning and validation, as well as evaluation of applications. A planning application report is produced, with a recommendation on the planning decision for approval by the Council.

The transition to the new service model went smoothly and has quickly delivered service and performance improvements. A highly flexible resource model uses a combination of remote working and electronic processing. This approach, combined with site visits and face to face meetings with applicants when required, delivers a customer-focused efficient service. Many reports are delivered in 49 days or less, a week before statutory expiry dates. In addition, savings have already been achieved for the Council, and the partners are confident that further service improvements will be realised over the coming months.

Localisation

The BSA welcomes and supports localism and decentralisation as ways of ensuring decisions more closely reflect the needs of different communities and service users. The current community budget pilots are taking this process forward.

However BSA members find that the quality of the commissioning process varies hugely between local authorities, schools, local health agencies, and police forces.

More therefore needs to be done to **publicise examples of best practice** in commissioning and in the use of the private and voluntary sectors, to avoid thousands of individual organisations having to 'reinvent the wheel' as they each seek to achieve the best value for money for the taxpayer.

Transport Services

Many BSA members have direct experience of public sector infrastructure projects, with involvement in each stage of their design, build, finance and operation.

We believe private sector experience, discipline and financing can be harnessed in support of the Government's aims. However there are challenges involved, one of which is for the Government to provide clarity for investors and service providers alike - especially regarding the treatment of risk.

BSA Members: Supporting Britain's Infrastructure

- **Amey** is working in partnership with North Lanarkshire Council - the fourth largest local authority in Scotland - to maintain 1,500 km of roads along with bridges and lighting. In 2012, Amey was named **Large Company of the Year in the Scottish Business in the Community Awards** for helping people get back into work and caring for the environment. Costs are falling by 15 per cent over the contract duration and the Council is benefiting from savings which are re-invested in services and infrastructure. Meanwhile response time for repairs has risen from an average of 85 per cent to 95 per cent; the number of third party claims received has dropped by almost two thirds; and the number of street lighting faults is down 36 per cent.

Meanwhile as part of its Birmingham Highways Maintenance and Management Service contract, **Amey** has pioneered innovation which has led to:

- ✓ savings of £800,000 in year one alone through a full asset management approach;
- ✓ increased productivity of 30 per cent through innovative handheld and vehicle tracking technology;
- ✓ design costs falling by 50 per cent - and the average time taken to identify design solutions falling from 3 weeks to 3 days - through a 'walk and build' design process; and
- ✓ a halving of the Council's annual energy bill, through Amey's world-leading LED street lighting.

- Within a London Borough, **ETDE** developed a Smart Lights scheme. This involved the installation of dimmable electronic ballasts and communicating nodes into each lantern that then links into a central management system. It allows for lighting levels to be adjusted remotely, and reports on the performance of each lighting unit. Other benefits include:

- ✓ energy savings of up to 50 per cent;
- ✓ optimised installation & maintenance plan;
- ✓ improved lighting performance information;
- ✓ long term maintenance savings;
- ✓ flexibility to adjust lighting level; and
- ✓ increased lamp life.

Welfare Services

Many BSA members are involved in the Work Programme as prime providers and expert subcontractors. Often larger companies, working with SMEs, need to be involved in order to provide the expertise, up-front investment and cash flow that welfare provision requires.

Payment by Results

A commissioning process which is driven by outcomes, not inputs, encourages innovation and rewards success. Therefore the BSA welcomes moves to introduce payment by results (PbR) mechanisms across different sectors - including welfare, housing services, sure start, drug dependency, and throughout the criminal justice system. The private sector has extensive experience working on a payment by results basis. It means providers can be chosen - and paid - simply on the basis of how effective they are.

However, PbR programmes only work when they are carefully designed and implemented, and manage to avoid unintended consequences. PbR models need to incorporate robust data to show what works (and what does not), and a genuine sharing of information; a clear decision on the outcome to be measured; and an accurate matching of payments with genuine value added.

The organisation being held responsible for delivering a given outcome needs to have control over all the aspects of service delivery which make that outcome possible.

Because the Work Programme is still in its early stages, data is limited. Initial findings seem promising: of those entrants to the Programme who had stopped claiming benefits after 10 weeks, 60 per cent were still off benefits after 26 weeks⁴⁰. Further statistics are required however before a full assessment can be made.

BSA Members: Supporting People Into Work

Often in partnership with charities and other organisations, BSA members have a track record in helping people into work:

- For the past year **MAXIMUS** has been helping thousands of long-term unemployed people back into sustained work under the Government's Work Programme. Despite very challenging economic circumstances MAXIMUS, together with alliance partner Careers Development Group and other private and voluntary sector delivery partners, has been able to provide solid futures to all these people and their families.
- One year after it was awarded three Work Programme contracts as the prime provider, **G4S** has helped over 9,000 into work, including 3,378 young people. 82 per cent stayed in work, and the taxpayer has saved an estimated £54 million a year in paying fewer unemployment benefits.
- **Prospects** is delivering the Youth Contract 16-17 NEET Programme, a pioneering scheme in the West Midlands and Yorkshire & Humber areas to help young people, who are not in education, employment, training (NEETs), back on their feet. Prospects is providing intensive mentoring support based on initial assessments of individual young people's needs. Then an action plan is put in place to help each participant move towards their chosen career. Motivational 'Heroes to Inspire' workshops, led by ex-Services personnel, are planned as part of the support package and a highly innovative and personalised programme will help young people overcome their practical and psychological barriers to progression and build motivation, confidence and resilience.



Debra Roberts
Cook

Tony Roberts,
Customer Delivery Representative

Tom Turner,
Job Team Technician

Richard Toni
Technician



The Future: Opportunity for Greater Involvement in the Public Sector

The industry has much more to contribute to innovation, quality and value for money in public service delivery. To release that potential, further change is required.

The BSA has consistently welcomed the reform agenda set out by previous Governments and in the Coalition's *Open Public Services* White Paper. But as this Government has itself acknowledged, a lot more needs to be done to put that agenda into practice.



We have only begun to achieve the changes that will be required before we can truly say that open public services deliver effective choice to citizens, are decentralised to the most appropriate level, are supplied by a diverse range of innovative providers, ensure fair access for all citizens, and are transparently accountable for the service levels and outcomes they deliver



*Rt Hon Oliver Letwin MP and Rt Hon Danny Alexander MP,
Open Public Services 2012.*

The BSA has called on ministers across government to implement:

- **a systematic programme** identifying opportunities for open commissioning across each government department, to overcome institutional inertia;
- **new models for public private partnership** speedily implemented, to replace the old PFI approach;
- **a fairer and more level playing field** between sectors - with changes in the tax system, improvements in the Fair Deal pension process, and equal monitoring and inspection arrangements;
- **a realistic treatment of risk**, with risk residing with the party best able to deal with it and insure against it; and
- **reform of commissioning** across the public sector, not just in central government. Too often a risk-averse culture leads to an overly prescriptive implementation of EU rules, bureaucratic box-ticking and a driving out of innovation and diversity. If real value (not just lowest cost) is to be achieved there needs to be a move away from simply pricing a specified way of providing a service and towards strategic commissioning, enabling new ways of providing the service. There should be reward for outcomes, not for processes.

The BSA has signed the Government's Procurement Pledge; looks forward to the operation of the Commissioning Academy; and welcomes the suggestion of a more effective right of appeal to an independent figure or organisation when producers feel that they have been unfairly excluded from a commissioning process.

Diversity in Provision

The Government wants to encourage a diversity of provision in the delivery of public services.

Public sector mutuals are being encouraged, with a 'Right to Provide' allowing employees to bid to take over the services which they deliver. A 'Mutuals Pipeline' currently includes around 100 established and developing mutuals projects across England.

The BSA has led the way in suggesting ways in which the private sector can support this agenda. Our publication *Making Mutuals Work*⁴¹ set out the challenges mutuals face – in human resources, finance, marketing and business planning, and start-up capital. Often voluntary sector organisations face similar challenges.

Partnering with a private sector provider through a joint venture offers a practical way of overcoming these barriers.

The BSA also welcomes the steps the Government has taken to support **small and medium-sized enterprises (SMEs)** - like the launch of the Contracts Finder website; the Mystery Shopper service; and the removal of pre-qualification questionnaires (PQQ) for most contracts below £100,000.

BSA members alone are estimated to support 250,000 SMEs. One option for balancing the need for local knowledge with economies of scale is through using a prime contractor model - with incentives to subcontract frontline services to expert providers, with payment terms that genuinely reflect the contribution of different providers.

The key factor in the provision of services should be **quality and value**. That means creating a level playing field on which different categories of provider - small and large; established provider and new entrant; public and private sector; social enterprise, voluntary sector and mutual - can compete fairly and equally.



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BSA Members

Full Members:



Amey



Interserve



ARAMARK



ISS UK



Babcock Infrastructure Services



John Laing



Balfour Beatty



Kier



Berendsen



Maximus Employment & Training UK



Capita



MITIE Group



Carillion



Morrison Facilities Services Ltd



ClearSprings



OCS Group



Compass Group



Pinnacle PSG



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TerraQuest



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Barclays Corporate



Metzger



Bevan Brittan



Navigant Consulting



Deloitte



Nicholas Moore



ECI



PA Consulting



ERSA
Employment Related Services Association



Pinsent Masons



Expert Patients Programme
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PricewaterhouseCoopers UK



Reynolds Porter Chamberlain LLP



Grant Thornton



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Harvey Nash



Sharpe Pritchard



KPMG



Trowers & Hamlin

Business Services Association
2nd Floor
130 Fleet Street
London
EC4A 2BH

Tel: 020 7822 7420

www.bsa-org.com

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